

**United States Agency for International Development
Project Office G/DG
Contract AEP-I-00-00-00010-00
Task Order No. 01**

**Quarterly Performance Report
July-September 2004 (4th Quarter FY04)
Americas' Accountability/Anti-Corruption Project**

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I. Improved Donor Coordination

Donor Consultative Group

Two meetings of the DCG were held during the quarter. The first, hosted by USAID on June 18, 2004, examined the current status of the Follow-Up Mechanism for the Implementation of the Inter-American Convention Against Corruption.

The second, hosted by the Organization of American States on August 30, 2004, focused on the regional desk assessment on corruption produced by the AAA Project and its relevance to themes and plans for the upcoming Summit of the Americas and on the evolving role being played by civil society in Summit activities.

II. Improved Government Policies and Practices to Reduce Corruption

Much of the activity in the quarter primarily was focused on continuing to disseminate information and practices contained in the Technical Assistance Modules produced by the project in earlier periods.

Integrated Financial Management at the Local Level

In July, AAA staff participated in a series of four successive conferences on municipal integrated financial management systems designed to disseminate information and lessons learned related in the AAA Technical Assistance Module (TAM), "Integrated Financial Management Systems in 17 Central American Municipalities."

The conferences, sponsored by AAA, the Federation of Municipalities of Central America (FEMICA) and each of the national municipal associations, in coordination with the respective USAID Missions, were held in Guatemala (July 5-7), Nicaragua (July 8-11), Honduras (July 10-13) and El Salvador (July 14-16). Conference panels, led by AAA staff, examined the progress and impediments related to advancing effective and transparent IFMS reform in municipalities, reviewed best practices and lessons learned and responded to questions related to information in the TAM. Close to 100 municipal financial-management officials, mayors and civil society leaders participated in the four events.

AAA collaborated closely in these events with a USAID Partner, the International City/County Management Association (ICMA), to frame the discussion of integrated financial management systems in the context of ICMA's comparative report on Local Governance, Decentralization and Citizen Participation in Central America.

ResponDanet

The number of hits on ResponDanet for the quarter was a bit less than the same quarter last year, but still comfortably over one million. USAID funding of ResponDanet concludes on November 30, 2004 with the end of this contract.

Main Website and Sub Sites	Hits Previous Four Project Fiscal Year Quarters					Current Quarter Jul-Sep FY 2004
	FY 2004	FY 2004	FY 2004	FY 2003	Total for Four Previous Quarters	
	1 st	2 nd	3 rd	4 th		
	Quarter	Quarter	Quarter	Quarter		
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep		
PSI Net	1,087,330	1,023,916	1,077,792	1,095,156	4,284,194	1,011,269
AAA Flash-Sp.	54,902	52,542	42,472	45,262	195,178	51,585
AAA Flash-Eng	78,695	60,671	42,802	66,012	248,180	30,714
ACSF	11,293	13,021	13,261	10,981	48,556	12,449
ACWB	969	1,493	1,180	932	4,574	971
Visitor Survey	2,905	2,673	2,173	2,200	9,951	1,985
TOTAL	1,236,164	1,154,316	1,179,680	1,220,546	4,790,706	1,108,973
Avg. Hits/Month	412,055	384,772	393,227	406,849	399,226	369,658

AAA launched ResponDanet in April 1998. Since its inception, it has received 15,746,802 hits. Webmostlinked.com, an independent service that rates websites, ranks ResponDanet among the top eight percent of most-visited sites worldwide—an incredible distinction for a site designed to advance government reform. ResponDanet was initiated as a regional website to serve government anti-corruption activists in the public and private sectors in the Latin American and Caribbean region (LAC). However, because of the quality and quantity of information and ease of use, today the site attracts about half of its users from the LAC and the rest from around the world.

ResponDanet's independence from political influence is a significant factor in its success. Because of this independence, it is able to cover anti-corruption issues worldwide in a factual, unbiased manner. It is critical that this independence be maintained in the future if the site is to continue to provide the range of information and services that has made it so successful to date.

Casals & Associates, Inc. (C&A) has held discussions with a number of organizations, including bi-lateral donors and universities, relative to sponsoring ResponDanet in the future. In the end, C&A concluded that to ensure ResponDanet's independence and sustainability and continuing expansion into coverage of anti-corruption information worldwide, responsibility for it should rest with an entity that is committed to reducing corruption in the public and private sectors and expert in utilizing new technologies in creative ways to share information.

Thus, C&A has proposed to USAID to ensure the sustainability of ResponDanet by assuming direct responsibility for the website's ongoing operation and maintenance. Under this proposed arrangement, C&A will continue to post the myriad and growing amount of information available on corruption and approaches for reducing it—news stories, studies, reports, announcements, international meetings and more. C&A will make ResponDanet available as a

resource for all of the USAID projects it manages and will continue to report on USAID and other donors' transparency and accountability initiatives.

As proposed by C&A, no USAID funds would be used to pay for recurring operational and maintenance costs. If, from time to time, a USAID-funded project sponsored by C&A desired to post information that required C&A technical input, those direct expenses would be billed to the project, in the same manner as those of any third-party vendor.

Regional Accountability Conference

At the IX Latin American Conference for Accountants and Auditors, held in the Dominican Republic, July 21-25, 2004, more than 200 participants heard Dr. Berthin and C&A internal control consultant, Rita Parrilli, present findings from four TAMS: "An Internal Control Framework for Latin America;" "Control Self-Assessment: A Tool for Organizational Improvement in Latin America;" "Integrated Financial Management Systems in 17 Central American Municipalities," and "Integrated Financial Management Systems in Bolivia and Chile." The AAA segment of the conference was the keynote event, taking on added significance because of the nature of the audience—public- and private-sector auditors and accountants and the Comptroller General of the DR—to whom AAA could communicate the importance public-sector financial-management, accountability and transparency reforms.

Digital Video Conferences

In July and August, Dr. Berthin conducted Digital Video Conferences (DVG) with officials in Costa Rica, sponsored by the U.S. State Department's International Information Program (IIP). The first was directed to nearly 100 government auditors and financial-management officials, including the newly appointed Comptroller General. The second DVG engaged nearly 100 mayors and other local officials. Dr. Berthin presented findings from AAA TAMS, including those on integrated financial management systems, social auditing and internal controls. As a result, U.S. Embassy officials in Costa Rica requested 400 copies of the TAMS for distribution locally.

Lima Political-Party Finance Conference

During the quarter, preparations began for a major conference to be held in Lima, Peru, October 13, 2004, the purpose of which is to disseminate lessons learned and effective practices identified in the AAA TAM, "Political Party Finance in Argentina, Chile, Costa Rica and Mexico: Lessons for Latin America." Former Ecuadorian president, Osvaldo Hurtado, will be the keynote speaker at the event, to be sponsored by AAA in collaboration with the USAID/Peru and five other major USAID partners (IDEA, IFES, NDI, IRI and *Transparencia Peru*).

III. Support to Missions

In September, AAA initiated fieldwork for a country corruption assessment in Paraguay that will be modeled on the successful assessments of Panama and Ecuador conducted by AAA. The Paraguay assessment, to be jointly funded by AAA and the USAID/Paraguay, is expected to be finalized by mid-October and will provide USAID/Paraguay with strategic options to address corruption over the next five years.